

## Message Text

UNCLASSIFIED

PAGE 01 BOGOTA 04193 091658Z  
ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 XMB-04 /022 W  
-----100310Z 098208 /66

R 062121Z MAY 77  
FM AMEMBASSY BOGOTA  
TO SECSTATE WASHDC 1390  
INFO USDOC WASHDC

UNCLAS BOGOTA 4193

PLEASE PASS EXIMBANK

E.O.11652: N/A  
TAGS: BENC, BID PROPOSALS ON CORELGA EXPANSION PROJECT

REF: BOGOTA 1836

1. BASIC DATA CONCERNING FINANCING TERMS AND CONDITIONS OFFERED BY THE THREE COMPANIES WHO PRESENTED BIDS ON THE CORELCA (CORPORACION ELECTRICA DE LA COSTA ATLANTICA) EXPANSION PROJECT HAVE BEEN ISSUED BY CORELCA. IN GENERAL, THE FINANCING OFFERED BY MITSUBISHI HEAVE INDUSTRIES LTD., AND SIEMENS (KRAFTWERK UNION) IS MORE FAVORABLE THAN THAT OFFERED BY WESTINGHOUSE INTERNATIONAL BASED ON AN EXIMBANK COMMITMENT.

2. ALTHOUGH COMPLETE INFORMATION ON THE PROPOSALS WILL NOT BE AVAILABLE FROM CORELCA FOR ANOTHER WEEK OR MORE, FOLLOWING ARE BASIC TERMS OF OFFERS.

A. MITSUBISHI: 80 PERCENT FINANCING; 8 YEARS (16 SEMIANNUAL INSTALLMENTS) 26 MONTHS GRACE PERIOD (WITH NO INTEREST PAYMENTS DURING THIS TIME); 7-1/2 PER CENT INTEREST FOR EQUIPMENT PACKAGE AND 8 PER CENT FOR SERVICE.

B. SIEMENS: 85 PER CENT FINANCING; 10 YEARS (20 SEMIANNUAL INSTALLMENTS) 26 MONTHS GRACE PERIOD, 8-1/2 PER CENT UNCLASSIFIED

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GUARANTEED MAXIMUM INTEREST. (EMBASSY UNDERSTANDS THAT SIEMENS HAS OFFERED POSSIBILITY OF LOWER INTEREST RATE).

C. WESTINGHOSE: 65 PER CENT FINANCING; 16 SEMIANNUAL INSTALLMENTS; 26 MONTHS GRACE PERIOD; 8-5/8 PER CENT INTERST.

3. REPRESENTATIVE OF THE THREE COMPANIES BIDDING ON PROJECT HAVE BEEN INVITED BY CORELCA TO BARRANQUILLA ON MAY 10 TO INSPECT (AND TAKE NOTES IF THEY WISH) THE COMPLETE BID DOCUMENTS. AS SOON AS THIS ADDITIONAL INFORMATION BECOMES AVAILABLE EMBASSY WILL TRANSMIT SIGNIFICANT PORTIONS TO DEPARTMENT FOR EXIMBANK.

4. CONSIDERING MORE FAVORABLE TERMS OFFERED BY GERMAN AND JAPANESE COMPETITORS. EMBASSY URGES EXIMBANK TO SERIOUSLY CONSIDER AMENDING THE PRELIMINARY COMMITMENT TO MEET COMPETITION.

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## Message Attributes

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**Review Markings:**  
Margaret P. Grafeld  
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